

SENATE
STATE OF MINNESOTA
NINETY-FIRST SESSION

S.F. No. 1991

(SENATE AUTHORS: RUUD)

DATE	D-PG	OFFICIAL STATUS
03/04/2019	631	Introduction and first reading
		Referred to Environment and Natural Resources Policy and Legacy Finance
03/21/2019		Comm report: To pass as amended and re-refer to Environment and Natural Resources Finance

1.1 A bill for an act

1.2 relating to state lands; modifying requirements for conveying certain state land;

1.3 adding to and deleting from state parks; authorizing sale of certain surplus state

1.4 land; amending Minnesota Statutes 2018, sections 84.0273; 92.115, subdivision

1.5 1; 92.45; 94.09, subdivision 3; 94.10.

1.6 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

1.7 Section 1. Minnesota Statutes 2018, section 84.0273, is amended to read:

1.8 **84.0273 ESTABLISHING BOUNDARY LINES RELATING TO CERTAIN STATE**

1.9 **LANDHOLDINGS.**

1.10 (a) ~~In order~~ To resolve boundary line issues affecting the ownership interests of the state

1.11 and adjacent landowners, the commissioner of natural resources may, in the name of the

1.12 state upon terms the commissioner deems appropriate, convey, by a boundary line agreement,

1.13 quitclaim deed, or management agreement in such form as the attorney general approves,

1.14 such rights, titles, and interests of the state in state lands for such rights, titles, and interests

1.15 in adjacent lands as are necessary ~~for the purpose of establishing~~ to establish boundaries.

1.16 The commissioner must publish a notice of the proposed conveyance and a brief statement

1.17 of the reason ~~therefor shall be published~~ for the conveyance once in the State Register ~~by~~

1.18 ~~the commissioner between 15 and~~ at least 30 days ~~prior to~~ before the conveyance. ~~The~~

1.19 ~~provisions of~~ This paragraph ~~are~~ is not intended to replace or supersede laws relating to

1.20 land exchange or disposal of surplus state property.

1.21 (b) ~~In order~~ To resolve trespass issues affecting the ownership interests of the state and

1.22 adjacent landowners, the commissioner of natural resources, in the name of the state, may

1.23 sell surplus lands not needed for natural resource purposes at private sale to adjoining

property owners and leaseholders. The conveyance must be by quitclaim in a form approved by the attorney general for a consideration not less than the value determined according to section 94.10, subdivision 1.

(c) Paragraph (b) applies to all state-owned lands managed by the commissioner of natural resources, except school trust land as defined in section 92.025. For acquired lands, the commissioner may sell the surplus lands as provided in paragraph (b) notwithstanding the offering to public entities, public sale, and related notice and publication requirements of sections 94.09 to 94.165. For consolidated conservation lands, the commissioner may sell the surplus lands as provided in paragraph (b) notwithstanding the classification and public sale provisions of chapters 84A and 282.

Sec. 2. Minnesota Statutes 2018, section 92.115, subdivision 1, is amended to read:

Subdivision 1. **Land valuation required.** Before offering any state land for sale under this chapter, the commissioner must establish the value of the land. The commissioner shall have the land appraised if the estimated market value is in excess of ~~\$50,000~~ \$100,000.

Sec. 3. Minnesota Statutes 2018, section 92.45, is amended to read:

92.45 STATE LAND ON MEANDERED LAKES WITHDRAWN FROM SALE.

(a) All state lands, excluding school trust lands and lands declared surplus by the commissioner, bordering on or adjacent to meandered lakes and other public waters and watercourses, with the live timber growing on them, are withdrawn from sale except as provided in this section. The commissioner of natural resources may sell the timber as otherwise provided by law for cutting and removal under conditions the commissioner prescribes. The conditions must be in accordance with approved, sustained-yield forestry practices. The commissioner must reserve the timber and impose other conditions the commissioner deems necessary to protect watersheds, wildlife habitat, shorelines, and scenic features. Within the area in Cook, Lake, and St. Louis Counties described in the Act of Congress approved July 10, 1930, (Statutes at Large, volume 46, page 1020), the timber on state lands is subject to restrictions like those now imposed by the act on federal lands.

(b) The following land is reserved for public travel: of all land bordering on or adjacent to meandered lakes and other public waters and watercourses and withdrawn from sale, a strip two rods wide, the ordinary high-water mark being its waterside boundary, and its landside boundary a line drawn parallel to the ordinary high-water mark and two rods distant landward from it. Wherever the conformation of the shore line or conditions require, the commissioner must reserve a wider strip.

(c) Except for sales under section 282.018, subdivision 1, when a state agency other than the Department of Natural Resources or when any other unit of government requests the legislature to authorize the sale of state lands bordering on or adjacent to meandered lakes and other public waters and watercourses, the commissioner shall evaluate the lands and their public benefits and make recommendations on the proposed dispositions to the committees of the legislature with jurisdiction over natural resources. The commissioner shall include any recommendations of the commissioner for disposition of lands withdrawn from sale under this section ~~over which the commissioner has jurisdiction~~. The commissioner's recommendations may include a public sale, sale to a private party, acquisition by the commissioner for public purposes, retention of a conservation easement for shoreland preservation by the commissioner under chapter 84C, or a cooperative management agreement with, or transfer to, another unit of government.

(d) The commissioner may sell state lands bordering on or adjacent to the Mississippi River or any lakes, waters, and watercourses in its bottom lands, desired or needed by the United States government for, or in connection with, any project heretofore authorized by Congress, to improve navigation in the Mississippi River at public sale according to law, as in other cases, upon application by an authorized United States official. The application must describe the land and include a map showing its location with reference to adjoining properties.

Sec. 4. Minnesota Statutes 2018, section 94.09, subdivision 3, is amended to read:

Subd. 3. **Notice to agencies; determination of surplus.** The commissioner of natural resources shall send written notice to ~~all state departments, agencies and the University of Minnesota~~ the Departments of Administration and Transportation, the Board of Water and Soil Resources, the Office of School Trust Lands, the legal or land departments of the University of Minnesota and Minnesota State Colleges and Universities, the Minnesota Indian Affairs Council, and any other state department or agency that requests to receive notices describing any lands or tracts ~~which~~ that may be declared surplus. If a ~~department or agency or the University of Minnesota~~ recipient of the notice desires custody of the lands or tracts, ~~it shall~~ the recipient must submit a written request to the commissioner; no later than four calendar weeks after mailing of the notice; setting forth in detail ~~its~~ the reasons for desiring to acquire; and ~~its~~ the intended use of; the land or tract. The commissioner shall then determine whether any of the lands ~~described in the certifications of the heads of the departments or agencies so requested~~ should be declared surplus and offered for sale or otherwise disposed of by transferring custodial control to other requesting state departments or agencies or to the Board of Regents of the University of Minnesota for educational

purposes, provided however that transfer to the Board of Regents ~~shall~~ is not be determinative of tax exemption or immunity. If the commissioner determines that any of the lands are no longer needed for state purposes, the commissioner shall make findings of fact, describe the lands, declare the lands to be surplus state land, and state the reasons for the sale or disposition of the lands.

Sec. 5. Minnesota Statutes 2018, section 94.10, is amended to read:

94.10 SURVEYS, APPRAISALS, AND SALE.

Subdivision 1. **Appraisal; notice and offer to public bodies.** (a) Before offering any surplus state-owned lands for sale, the commissioner of natural resources must establish the value of the lands. The commissioner shall have the lands appraised if the estimated value is in excess of ~~\$50,000~~ \$100,000. No parcel of state-owned land shall be sold for less than \$1,000.

(b) The appraisals must be made by regularly appointed and qualified state appraisers. To be qualified, an appraiser must hold a state appraiser license issued by the Department of Commerce. The appraisal must be in conformity with the Uniform Standards of Professional Appraisal Practice of the Appraisal Foundation.

(c) Before offering surplus state-owned lands for public sale, the lands ~~shall~~ must first be offered to the city, county, town, school district, or other public body corporate or politic in which the lands are situated for public purposes and the lands may be sold for public purposes for not less than the appraised value of the lands. To determine whether a public body desires to purchase the surplus land, the commissioner of natural resources shall give a written notice to the governing body of each political subdivision whose jurisdictional boundaries include or are adjacent to the surplus land. If a public body desires to purchase the surplus land, ~~it shall~~ the public body must submit a written offer to the commissioner no later than two weeks after receipt of notice setting forth in detail ~~its~~ the reasons for desiring to acquire and ~~its~~ the intended use of the land. ~~In the event that~~ If more than one public body tenders an offer, the commissioner shall determine which party shall receive the property and shall submit written findings regarding the decision. If lands are offered for sale for public purposes and if a public body notifies the commissioner of its desire to acquire the lands, the public body may have up to two years from the date of the accepted offer to ~~commence payment~~ begin paying for the lands in the manner provided by law.

(d) Before offering surplus state-owned lands that are located within the reservation boundary of a federally recognized Indian tribe for public sale or before offering the lands to an entity specified in paragraph (c), the lands must first be offered to the Indian tribe.

The lands may be sold for not less than the appraised value of the lands. To determine whether an Indian tribe desires to purchase the surplus land, the commissioner of natural resources must give a written notice to the governing body of the Indian tribe. If the Indian tribe desires to purchase the surplus land, the tribe must submit a written offer to the commissioner no later than two weeks after receiving the notice. If an Indian tribe notifies the commissioner of its desire to acquire the lands, the Indian tribe has up to two years from the date of the accepted offer to begin paying for the lands in the manner provided by law.

Subd. 2. **Public sale requirements.** (a) After complying with subdivision 1 and before any public sale of surplus state-owned land is made and at least 30 days before the sale, the ~~commissioner of natural resources shall publish a notice of the sale in a newspaper of general distribution in the county in which the real property to be sold is situated. The notice shall specify the time and place at which the sale will commence, a general description of the lots or tracts to be offered, and a general statement of the terms of sale.~~ The commissioner shall also provide electronic notice of the sale.

(b) The minimum bid for a parcel of land must include the estimated value or appraised value of the land and any improvements and, if any of the land is valuable for merchantable timber, the value of the merchantable timber. The minimum bid may include expenses incurred by the commissioner in rendering the property salable, including survey, appraisal, legal, advertising, and other expenses.

(c) The purchaser of state land must pay recording fees and the state deed tax.

(d) Except as provided under paragraph (e), parcels remaining unsold after the offering may be sold to anyone agreeing to pay at least 75 percent of the appraised value. The sale ~~shall~~ must continue until all parcels are sold or until the commissioner orders a reappraisal or withdraws the remaining parcels from sale.

(e) The commissioner may retain the services of a licensed real estate broker to find a buyer for parcels remaining unsold after the offering. The sale price may be negotiated by the broker, but must not be less than 90 percent of the appraised value as determined by the commissioner. The broker's fee must be established by prior agreement between the commissioner and the broker and must not exceed ten percent of the sale price for sales of \$10,000 or more. The broker's fee must be paid to the broker from the proceeds of the sale.

(f) Public sales of surplus state-owned land may be conducted through online auctions.

Sec. 6. ADDITION TO STATE PARK.

[85.012] [Subd. 23a.] Glendalough State Park, Otter Tail County.

The following areas are added to Glendalough State Park, Otter Tail County:

(1) Government Lot 2, Section 12, Township 133 North, Range 40 West, Otter Tail County, Minnesota, subject to an existing conservation easement; and

(2) the West Half of the Southeast Quarter and Government Lots 2 and 3, Section 11, Township 133 North, Range 40 West, Otter Tail County, Minnesota, except that part of said Government Lot 2 platted as Walvatne Addition. Subject to an existing conservation easement.

Sec. 7. **DELETION FROM STATE PARK.**

[85.012] [Subd. 49.] St. Croix State Park, Pine County. The following area is deleted from St. Croix State Park, Pine County: that part of the North Half of the Northwest Quarter of Section 29 and that part of the Northeast Quarter of the Northeast Quarter of Section 30, Township 41 North, Range 17 West, Pine County, Minnesota, lying north of County Road 48.

Sec. 8. **PRIVATE SALE OF SURPLUS STATE LAND BORDERING PUBLIC WATER; CARLTON COUNTY.**

(a) Notwithstanding Minnesota Statutes, sections 92.45, 94.09, and 94.10, the commissioner of natural resources may sell by private sale the surplus land bordering public water that is described in paragraph (c).

(b) The commissioner may make necessary changes to the legal description to correct errors and ensure accuracy.

(c) The land that may be sold is located in Carlton County and is described as: Government Lot 6, Section 1, Township 48 North, Range 19 West.

(d) The land borders Perch Lake and is not contiguous to other state lands. The Department of Natural Resources has determined that the land is not needed for natural resource purposes and that the state's land management interests would be best served if the land were sold to a federally recognized Indian tribe for land consolidation purposes.

Sec. 9. **PUBLIC SALE OF SURPLUS STATE LAND BORDERING PUBLIC WATER; CASS COUNTY.**

(a) Notwithstanding Minnesota Statutes, section 92.45, the commissioner of natural resources may sell by public sale the surplus land bordering public water that is described in paragraph (c).

(b) The commissioner may make necessary changes to the legal description to correct errors and ensure accuracy.

(c) The land that may be sold is located in Cass County and is described as: Lot 7, Block 1, Dell's Sleepy Hollow, located in Section 22, Township 140 North, Range 29 West.

(d) The land borders Woman Lake and is not contiguous to other state lands. The Department of Natural Resources has determined that the land is not needed for natural resource purposes and that the state's land management interests would best be served if the land was returned to private ownership.

Sec. 10. PRIVATE SALE OF SURPLUS LAND BORDERING PUBLIC WATER; HUBBARD COUNTY.

(a) Notwithstanding Minnesota Statutes, sections 92.45, 94.09, and 94.10, the commissioner of natural resources may sell by private sale the surplus lands bordering public water that is described in paragraph (c) to Hubbard County for no consideration.

(b) The commissioner may make necessary changes to the legal descriptions to correct errors and ensure accuracy.

(c) The lands that may be conveyed are located in Hubbard County and are described as:

(1) the East 285.00 feet of the West 660.00 feet of Government Lot 4 of Section 27, Township 141 North, Range 34 West. Including all riparian rights to the contained 2.3 acres, more or less; and

(2) that part of Government Lot 2 of Section 34, Township 141 North, Range 34 West, described as follows:

Commencing at the northwest corner of said Government Lot 2; thence South 89 degrees 27 minutes 15 seconds East, bearing assumed, along the north line of said Section 34 a distance of 375.18 feet to the point of beginning; thence continuing South 89 degrees 27 minutes 15 seconds East along said north line a distance of 285.13 feet; thence South 02 degrees 01 minutes 46 seconds East along a line parallel with and 660.00 feet from the west line of said Government Lot 2 a distance of 77.98 feet; thence North 88 degrees 14 minutes 48 seconds East a distance of 65.77 feet along a line which if continued 550.00 feet would intersect an angle iron previously used as the northeast corner of said Government Lot 2; thence South 01 degrees 45 minutes 12 seconds East along a line parallel with and 550.00 feet west of a previously established survey line a distance of 650.18 feet to the boundary line as established by that certain agreement between Richard

Dusbabek and Jean Dusbabek, husband and wife, and Donald S. Olson and Betty Jane Olson, husband and wife, and filed for record on May 10, 1982, in the office of the county recorder in Book 146 of Deeds, page 806; thence South 88 degrees 12 minutes 12 seconds West along said boundary line a distance of 179.39 feet; thence North 12 degrees 07 minutes 46 seconds West a distance of 663.07 feet; thence North 32 degrees 35 minutes 05 seconds West a distance of 101.91 feet to the point of beginning; containing 4.1 acres.

(d) The lands border Big Sand Lake. The Department of Natural Resources has determined that the lands are not needed for natural resource purposes and that the state's land management interests would best be served if the lands were conveyed to Hubbard County.

Sec. 11. PUBLIC SALE OF SURPLUS STATE LAND BORDERING PUBLIC WATER; KANABEC COUNTY.

(a) Notwithstanding Minnesota Statutes, section 92.45, the commissioner of natural resources may sell by public sale the surplus land bordering public water that is described in paragraph (c).

(b) The commissioner may make necessary changes to the legal description to correct errors and ensure accuracy.

(c) The land that may be sold is located in Kanabec County and is described as: that part of the West 200 feet of the Northwest Quarter of Section 13, Township 42 North, Range 23 West, Kanabec County, Minnesota, lying northerly of the centerline of the Snake River.

(d) The land borders the Snake River and is not contiguous to other state lands. The Department of Natural Resources has determined that the land is not needed for natural resource purposes and that the state's land management interests would best be served if the land was returned to private ownership.

Sec. 12. PUBLIC SALE OF SURPLUS STATE LAND BORDERING PUBLIC WATER; OTTER TAIL COUNTY.

(a) Notwithstanding Minnesota Statutes, section 92.45, the commissioner of natural resources may sell by public sale the surplus land bordering public water that is described in paragraph (c).

(b) The commissioner may make necessary changes to the legal description to correct errors and ensure accuracy.

(c) The land that may be sold is located in Otter Tail County and is described as:

Lots 25, 26, and 27 in Block 2 of Jackson and McKee's Addition, according to the plat thereof, on file and of record in the Office of the Recorder, Otter Tail County, Minnesota, less and except that part of said Lot 27 in Block 2 of Jackson and McKee's Addition, Otter Tail County, Minnesota, South of the line between Government Lots 2 and 3, Section 14, Township 136, Range 38.

(d) The land borders Big Pine Lake and is not contiguous to other state lands. The Department of Natural Resources has determined that the land is not needed for natural resource purposes and that the state's land management interests would best be served if the land was returned to private ownership.

Sec. 13. **PUBLIC SALE OF SURPLUS STATE LAND BORDERING PUBLIC WATER; WABASHA COUNTY.**

(a) Notwithstanding Minnesota Statutes, section 92.45, the commissioner of natural resources may sell by public sale the surplus land bordering public water that is described in paragraph (c).

(b) The commissioner may make necessary changes to the legal description to correct errors and ensure accuracy.

(c) The land that may be sold is located in Wabasha County and is described as: Lot 4, Section 8, Township 109, Range 12, lying and being in the county of Wabasha, State of Minnesota.

(d) The land borders the Zumbro River and is not contiguous to other state lands. The Department of Natural Resources has determined that the land is not needed for natural resource purposes and that the state's land management interests would best be served if the land was returned to private ownership.

Sec. 14. **PRIVATE SALE OF SURPLUS STATE LAND BORDERING PUBLIC WATER; YELLOW MEDICINE COUNTY.**

(a) Notwithstanding Minnesota Statutes, sections 92.45, 94.09, and 94.10, the commissioner of natural resources may sell by private sale the surplus land bordering public water that is described in paragraph (c) to the United States for no consideration.

(b) The commissioner may make necessary changes to the legal description to correct errors and ensure accuracy.

10.1 (c) The land that may be sold is located in Yellow Medicine County and is described
10.2 as: the South 33.00 feet of the Northwest Quarter of the Northwest Quarter and that part of
10.3 Government Lot 1, Section 22, Township 114 North, Range 41 West, Yellow Medicine
10.4 County, Minnesota, described as follows:

10.5 Beginning at the southwest corner of said Government Lot 1; thence on an assumed
10.6 bearing of North 01 degrees 09 minutes 07 seconds West along the west line of said
10.7 Government Lot 1 a distance of 33.00 feet; thence North 89 degrees 42 minutes 02
10.8 seconds East parallel with the south line of said Government Lot 1 a distance of 150.00
10.9 feet; thence North 00 degrees 17 minutes 58 seconds West 267.00 feet; thence North 89
10.10 degrees 42 minutes 02 seconds East 754 feet more or less, to the water's edge of Spellman
10.11 Lake; thence southwesterly along said water's edge 760 feet, more or less, to the south
10.12 line of said Government Lot 1; thence South 89 degrees 42 minutes 02 seconds West
10.13 along the south line of said Government Lot 1 a distance of 288 feet, more or less, to
10.14 the point of beginning; including all riparian rights to the contained 4.1 acres, more or
10.15 less.

10.16 (d) The land borders Spellman Lake and is not contiguous to other state lands but is
10.17 adjacent to a waterfowl production area. The Department of Natural Resources has
10.18 determined that the land would best be managed by the United States Fish and Wildlife
10.19 Services as part of a waterfowl production area.